



County of Los Angeles
Department of Public Social Services

Bryce Yokomizo
Director

February 6, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO AWARD A CONTRACT TO
WE TIP, INCORPORATED TO PROVIDE
ANONYMOUS WELFARE FRAUD REFERRALS AND REWARD SERVICES
(ALL SUPERVISORIAL DISTRICTS - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair to sign the enclosed contract with We Tip, Incorporated, effective the day after Board approval or March 22, 2003, whichever is later, at a maximum contract amount of \$168,925 for the three-year term of the contract to provide a Welfare Fraud Reporting and Informant Reward Program. The estimated cost for FY 2002-03 is \$15,600 and is included in the FY 2002-03 Adopted Budget.

Delegate authority to the Director, Department of Public Social Services (DPSS), to prepare and sign amendments to this contract for any decreases or increases of no more than ten percent of the contract amount when the change is necessitated by additional and necessary services that are required in order for the Contractor to comply with changes in County requirements. The approval of County Counsel and the Chief Administrative Office (CAO) will be obtained prior to executing such amendment, and the Director will notify the CAO in writing within ten business days after execution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current contract with We Tip, Inc. provides for a 24-hour per day, seven-day a week, toll-free telephone line for the public to anonymously report suspected welfare fraud crimes. We Tip, Inc. provides trained multilingual operators experienced in questioning callers to elicit sufficient details of reported instances of suspected welfare fraud crimes in order to report this information to DPSS, and provides trained staff to anonymously distribute rewards as approved by DPSS.

In December 1987, the Board approved Supervisor Antonovich's motion for a pilot project with We Tip, Inc., a private nonprofit enterprise, to provide a Welfare Fraud Reporting and Informant Reward Program.

In March 1988, your Board approved a two-year contract to implement the project. The program was found to be highly effective in helping to identify and reduce welfare fraud. This contract was renewed in March 1990 and 1993, in 1996 for a one-year contract, and for a three-year contract in 1997 and again in 2000. The current contract expires on March 21, 2003.

FISCAL IMPACT/FINANCING

The maximum amount for this contract for the three-year period commencing on the day after Board approval or March 22, 2003, whichever is later, through March 21, 2006, is \$168,925, an increase of \$5,346 from the current contract budget of \$163,579. The increased costs are due primarily to increases in employee salary and benefits. This Fiscal Year's portion of the contract cost is approximately \$15,600 and is included in the Department's FY 2002-03 Adopted Budget.

To the extent that contract costs are claimed to CalWORKs and Food Stamps, there is no additional net County cost (NCC) once the County has met the CalWORKs Maintenance of Effort (MOE) requirement. There is a minimal NCC that results from costs associated with other programs, such as General Relief, which is included in the Department's FY 2002-03 Adopted Budget. Funding for future fiscal years will be included in the annual budget requests for those years.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS

We Tip, Inc. is a non-profit organization designed to take information from and pay rewards to informants while maintaining informant's anonymity. It has served Los Angeles County since 1972 and has provided these services to DPSS since 1988.

The contract term will be for three years, commencing on the day after Board award or March 22, 2003, whichever is later, through March 21, 2006.

In addition to the contract amount, there is a County Informant Reward fund of \$20,000 annually for both the DPSS and the Contractor's Reward Program. The reward fund is 100 percent County funded and will be absorbed in this year's Departmental budget.

The contract authorizes the Director, DPSS, to approve an increase in costs up to ten percent of the total original contract amount, if an increase is needed for additional units of service or to comply with changes in federal, State or County requirements.

The County may terminate the contract with a thirty (30) calendar day prior written notice. The contract also contains provisions that limit the County's obligation if the Board does not appropriate funding for each year of the contract.

The contracts are in compliance with all Board, Chief Administrative Office and County Counsel requirements. The Contractor will not be asked to perform services that exceed the approved contract amount, scope of work and contract dates.

The contractor is in compliance with the Jury Service Program.

The contract is a non-Prop A contract and exempt from the Living Wage Ordinance.

The contract has been reviewed and approved as to form by County Counsel.

CONTRACTING PROCESS

In October 2002, proposals were solicited through the Request for Proposal (RFP) process. Interest was generated through the following methods: advertisements were placed in ten newspapers, which included publications recommended by the Office of Affirmative Action Compliance (OAAC); Letters of Interest were mailed to seven agencies who expressed interest in the contract during the previous relet process; and the availability of this contract solicitation was placed on the Office of Small Business (OSB) web site.

Of the fourteen agencies that requested the RFP, only one, We Tip, Inc., the current contractor, submitted a proposal.

IMPACT ON CURRENT SERVICES

The award of this contract will not infringe on the role of the County in its relationship to its residents, and the County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County.

The award of this contract will assist the County in its efforts to prevent welfare fraud and help to ensure that benefit programs are not misused.

CONCLUSION

The Executive Officer, Board of Supervisors, is requested to return one (1) adopted stamped Board Letter and four (4) original signed copies of the contract.

Respectfully submitted,



Bryce Yokomizo
Director

BY:jr

Enclosures

Executive Officer, Board of Supervisors
Chief Administrative Officer
County Counsel
Auditor-Controller